

Formerly Worked for CIA

Rewald Wary of Attorney

By Charles Memminger
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Assistant U.S. Attorney John Peyton says it's "purely coincidental."

Ronald Rewald says he's more than a little leery about Peyton's arrival in Honolulu last year just in time to handle a possible federal case against him.

Peyton, as reported in December in the Star-Bulletin, was chief of the litigation section for the CIA in Langley, Va.

That bothers Rewald who has alleged in court documents that the CIA set up his company, Bishop, Baldwin, Rewald, Dillingham & Wong.

Peyton's previous position with the CIA also has not gone unnoticed by the national and international press. The Wall Street Journal, in an article on Rewald published today, called Peyton's involvement in the case "a curiosity."

BEFORE ATTEMPTING suicide last July, Rewald wrote a note to his wife vaguely referring to government work he had done and

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lamenting that he never thought he would be deserted and unprotected.

People involved in Rewald's company have said the only reason Rewald is pressing his claims against the CIA now is because he feels the agency abandoned him and his family when state and federal agencies began to descend on his company.

The only way he can clear himself is to show how deeply the CIA was involved in his company, Rewald believes.

The fact that a former CIA attorney is now leading the inves-

tigation into Rewald's business dealings leaves Rewald shaky. A federal grand jury has been investigating Rewald for several months but has yet to return any indictment.

"It's distressing," Rewald said. "It sounds like the deck is loaded."

Peyton realizes that few will believe that his joining the U.S. attorney's office here Aug. 1, only two days after Rewald's suicide attempt, is a coincidence, but he steadfastly maintains it was.

"I was hired in May or June and reported for work Aug. 1," Peyton said. "That is purely coincidental in the breaking of the Rewald case."

PEYTON CAME TO Hawaii from Miami, where he served as an assistant U.S. attorney in charge of narcotics trafficking for two years. Before that, he had been with the CIA in Virgin-

ia, he said. Peyton said he is no longer connected with the CIA.

Peyton was to become a member of a narcotics task force in Hawaii but instead was assigned to the Rewald case by U.S. Attorney Daniel Bent. Peyton said he was probably given the Rewald case because he was "brand new" and had no caseload. Bent was unavailable to comment today on Peyton's assignment.

Peyton said because he is now "so wound up" in the Rewald case, he has not done any narcotics work.

The only federal action taken against Rewald was a complaint filed by the Securities and Exchange Commission Aug. 8. That case was settled out-of-court last week when Rewald agreed not to violate federal securities laws.

On the state level, Rewald has been charged with two counts of theft by deception and a grand jury is also continuing its investigation.